

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

Macie Peeler,

Plaintiff

v.

State Farm Automobile Insurance Company,

Defendant

Case No.: 2:17-cv-02735-JAD-DJA

**Order Granting Defendant's Motion to
Stay and Denying as Moot Cross-Motions
for Summary Judgment**

[ECF Nos. 108, 130, 132]

This insurance bad-faith action arises out of State Farm Mutual Automobile Insurance Company's denial of plaintiff Macie Peeler's request for uninsured-motorist benefits following a car accident allegedly caused by another driver. This case was stayed pending Peeler's state-court action against the other driver and resumed after a jury found against Peeler and awarded her no damages for the accident. Recently, however, the Nevada Court of Appeals vacated that state-court judgment and remanded that case for retrial. State Farm moves to stay the case again pending the outcome of a second trial. Both parties also move for summary judgment. Because I find that State Farm has demonstrated the need for a stay, I grant its motion and deny both summary-judgment motions without prejudice.

Background

In July 2013, Macie Peeler was involved in a motor-vehicle accident with an uninsured motorist during which she allegedly suffered serious injuries.¹ At the time of the accident, Peeler was a named insured under an automobile policy with State Farm.² That policy had a \$100,000/\$300,000 uninsured-motorist provision. The policy conditioned the payment of

¹ ECF No. 34 at 15–21 (state-court complaint); ECF No. 1. at 12 (first-amended state-court complaint).

² ECF No. 34 at 23.

1 uninsured-motorist benefits on the insured's ability to show legal entitlement to recover
2 compensatory damages from the tortfeasor by establishing the tortfeasor's fault and the amount
3 of those damages.³

4 The case developed along two tracks. Peeler first contacted State Farm about the
5 uninsured-motorist coverage in April 2015.⁴ That May, she filed a lawsuit in state court against
6 the uninsured motorist and the car-rental company for negligence, negligence per se, and
7 negligent entrustment.⁵ While the state-court case was pending, Peeler submitted proof to State
8 Farm of the \$148,334 she had incurred for medical treatment along with medical records that
9 showed her need for future surgery.⁶ The parties corresponded until August 10, 2017, when
10 "State Farm denied to extend an Uninsured Motorist bodily injury settlement offer."⁷
11 Apparently, State Farm had valued Peeler's claim at an undisclosed amount and it refused to
12 compensate her under the uninsured-motorist provision.⁸

13 Peeler then sued State Farm for breach of contract and breach of the implied covenant of
14 good faith and fair dealing in state court.⁹ State Farm removed that action to this court, and
15 Peeler filed a second-amended complaint.¹⁰ I denied State Farm's motion to dismiss but granted
16 its request to stay the case pending the resolution of the state-court case.¹¹

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18 ³ *Id.* at 49.

19 ⁴ ECF No. 1 at 12.

20 ⁵ ECF No. 34 at 15–21.

21 ⁶ ECF No. 1 at 12.

22 ⁷ *Id.*

23 ⁸ *Id.*; ECF No. 7 at 5.

⁹ ECF No. 38-1 (first-amended federal-court complaint).

¹⁰ ECF No. 1; ECF No. 7.

¹¹ ECF No. 24; ECF No. 30.

1 The state-court case went to trial in November 2018. Although the uninsured motorist
 2 conceded fault for the accident, the jury found in his favor and awarded zero damages to
 3 Peeler.¹² Peeler then moved to lift the stay in this case after the state court entered its judgment,
 4 and I granted that motion.¹³ Peeler also appealed the state-court verdict, arguing that the
 5 uninsured motorist's medical expert was not qualified to give the opinions he expressed during
 6 the trial.¹⁴ In July 2021, the Nevada Court of Appeals vacated the verdict and remanded the case
 7 for retrial, finding that the medical expert used unreliable methods to determine what caused
 8 Peeler's injuries and gave opinions that he was not qualified to give.¹⁵ State Farm now moves to
 9 stay because retrying the state-court action prevents this court from making findings necessary to
 10 the resolution of this case.¹⁶ Both parties also move for summary judgment on the merits of
 11 Peeler's claims.¹⁷

12 **I. A *Landis* stay is warranted.**

13 A district court has the inherent power to stay cases to control its docket and promote the
 14 efficient use of judicial resources.¹⁸ When determining whether a stay is appropriate pending the
 15 resolution of another case—often called a “*Landis* stay”—the district court must weigh: (1) the
 16 possible damage that may result from a stay, (2) any “hardship or inequity” that a party may

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 19 ¹² ECF No. 38-3 at 23 (transcript); ECF No. 34 at 81-82 (judgment).

20 ¹³ ECF No. 32; ECF No. 33.

21 ¹⁴ ECF No. 108-1 (Nevada Court of Appeals order reversing, vacating, and remanding the state-
 22 court judgment).

23 ¹⁵ *Id.*

¹⁶ ECF No. 108.

¹⁷ ECF No. 130; ECF No. 132.

¹⁸ *Landis v. North American Co.*, 299 U.S. 248, 254–55 (1936); *Dependable Highway Exp., Inc. v. Navigators Ins. Co.*, 498 F.3d 1059, 1066 (9th Cir. 2007).

1 suffer if required to go forward, (3) “and the orderly course of justice measured in terms of the
2 simplifying or complicating of issues, proof, and questions of law” that a stay will engender.¹⁹

3 State Farm moves for a stay pending the conclusion of the state-court action. It argues
4 that because Peeler chose to sue the uninsured motorist, she has chosen to prove legal
5 entitlement—a term of art that requires the insured to prove fault by the tortfeasor and the extent
6 of her damages—through that state-court action.²⁰ Peeler objects, arguing that Nevada law does
7 not require an insured to obtain a judgment against a tortfeasor to prove legal entitlement and
8 therefore she need not await the outcome of the state-court action to proceed here.²¹ These legal-
9 entitlement arguments have been made several times in this case, but I need not address their
10 merits again. I initially stayed this case under *Landis v. North American Company* due to a
11 practical damages consideration, which is as relevant now as it was then.²² It will be difficult, if
12 not impossible, for a jury in this case to calculate damages unless and until the state-court
13 process determines how much, if anything, the uninsured motorist will pay. While these cases
14 are against separate parties and bring separate causes of action, the state-court action impacts the
15 resolution of this one, such that allowing both to proceed simultaneously would be a waste of
16 judicial resources. And Peeler has not demonstrated any damage or hardship that would result
17 from a stay beyond the specter of delay.²³ I find that the hardship imposed by moving forward at

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20 ¹⁹ *Lockyer v. Mirant Corp.*, 398 F.3d 1098, 1110 (9th Cir. 2005).

21 ²⁰ ECF No. 108 at 5–6.

22 ²¹ ECF No. 113 at 6–7.

23 ²² *Landis*, 299 U.S. 248; ECF No. 30.

²³ Peeler focuses on standards for abstention under *Colorado River Water Conservation District v. United States*, 424 U.S. 800 (1976), as stated by a court in the District of Nevada in *Commercial Casualty Insurance Company v. Swarts, Manning & Associates, Inc.*, 616 F. Supp. 2d 1027 (2007), and does not address the slightly different *Landis* factors. See ECF No. 113 at

1 this late stage of litigation with the dispute between Peeler and the other motorist back to *tabula*
 2 *rasa*, along with the waste of judicial resources that could result if the instant case proceeds and
 3 has to be unwound based on developments in that underlying state-court case, outweigh any
 4 hardship caused by delay. So I stay this case until the state-court action concludes, deny both
 5 summary-judgment motions as moot and without prejudice to refile when the stay has been
 6 lifted, and administratively close this case.²⁴ Either party may move to lift the stay and reopen
 7 the case when the state-court action concludes.

8 **Conclusion**

9 IT IS THEREFORE ORDERED that State Farm Automobile Insurance Company's
 10 motion to stay [ECF No. 108] is **GRANTED**. This case is **STAYED** until Peeler's state-court
 11 action concludes. The Clerk of Court is directed to **ADMINISTRATIVELY CLOSE** this case.

12 IT IS FURTHER ORDERED that the parties' motions for summary judgment [ECF Nos.
 13 **130 and 132**] are **DENIED** as moot and without prejudice to refile after the stay is lifted.

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 15 
 16 U.S. District Judge Jennifer A. Dorsey
 17 March 24, 2022
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21 10–18. Because I find that *Landis* provides the appropriate vehicle to stay this case, I decline to
 22 address *Colorado River*'s abstention factors.

23 ²⁴ Peeler alternatively asks that I consolidate this case with the state-court action and allow both
 to be tried in state court. ECF No. 113 at 19–20. A federal judge does not have the authority to
 foist a federal action upon the state courts. Federal Rule of Civil Procedure 42 allows
 consolidation of “actions before the court” if they involve a common question of law or fact.
 The state-court action is obviously not before this court.